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FISCAL IMPACT STATEMENT

LS 7015

BILL NUMBER: SB 304

NOTE PREPARED: Feb 19, 2003

BILL AMENDED: Feb 18, 2003

SUBJECT: Drain Maintenance Fund.

FIRST AUTHOR: Sen. Lanane

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that a municipal or sanitary district drain maintenance fund is established for a drain that is subject to assessments for periodic maintenance and repair if the county drainage board transfers jurisdiction over the drain to a municipality or a sanitary district. It provides for transfer to the municipality or sanitary district of all or part of the balance in the existing drain maintenance fund. The bill also provides that the municipality or sanitary district to which jurisdiction over a drain is transferred has, with respect to that drain, the same right of entry and right-of-way powers regarding private land as the county surveyor or the drainage board.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) This bill requires that a drain maintenance fund (Fund) be established for each regulated drain transferred from a county drainage board to a municipal district or sanitary district. The fiscal impact of this bill is dependant on the number of regulated drains a county drainage board transfers to a municipal or sanitary district.

Currently, drainage boards are required to have a drain maintenance fund for each regulated drain, except when the maintenance assessment is less than \$1,500. For drains with maintenance assessments less than

\$1,500, the maintenance costs may be paid from the drainage board's General Drain Improvement Fund (GDIF).

The bill would require a transferred drain's maintenance fund be shifted from the county drainage board to the municipal or sanitary district. As amended, the bill would only require to be shifted an amount of the fund that is in proportion to the length of the drain actually transferred to the municipality. The bill would also require any maintenance costs paid out of the drainage board's GDIF be reimbursed for all or part of the maintenance costs. Because the GDIF may receive appropriations from a county's general fund or taxes levied by the county for drainage purposes, a county's general fund or tax revenues should not be affected by the transfer of a drain if the maintenance costs are fully reimbursed. Maintenance funds established by a county drainage board receive monies from annual assessments, delinquent assessment penalties, and compensations for damage to a drain.

Expenses of the Fund are to be paid from the Fund, deposits are to be invested as public funds, interest is to be credited to the Fund, and any remaining balance in the Fund carries over in the Fund for the following fiscal year.

The bill also requires a municipal or sanitary district to pay the remaining maintenance costs not covered by a drain maintenance fund out of the fund the district uses to pay for maintenance work on drains not subject to the drain maintenance fund requirement. The fiscal impact of this provision would depend on the number of drains transferred and the amount of maintenance work costs covered by the drain maintenance funds.

State Agencies Affected:

Local Agencies Affected: County Drainage Boards, Municipal Districts, Sanitary Districts.

Information Sources:

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